

CRITICAL
TRENDS
FOR
HIGH-END
WINE & WATER



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INTRODUCTION

- **BACKGROUND**
- **FOUR SEASONS ROLE**
- **WATER & WINE**
- **SUCCESS**

Who is leading the way for varied water consumption?

MILLENNIALS



CRITICAL

TRENDS FOR WINE & WATER

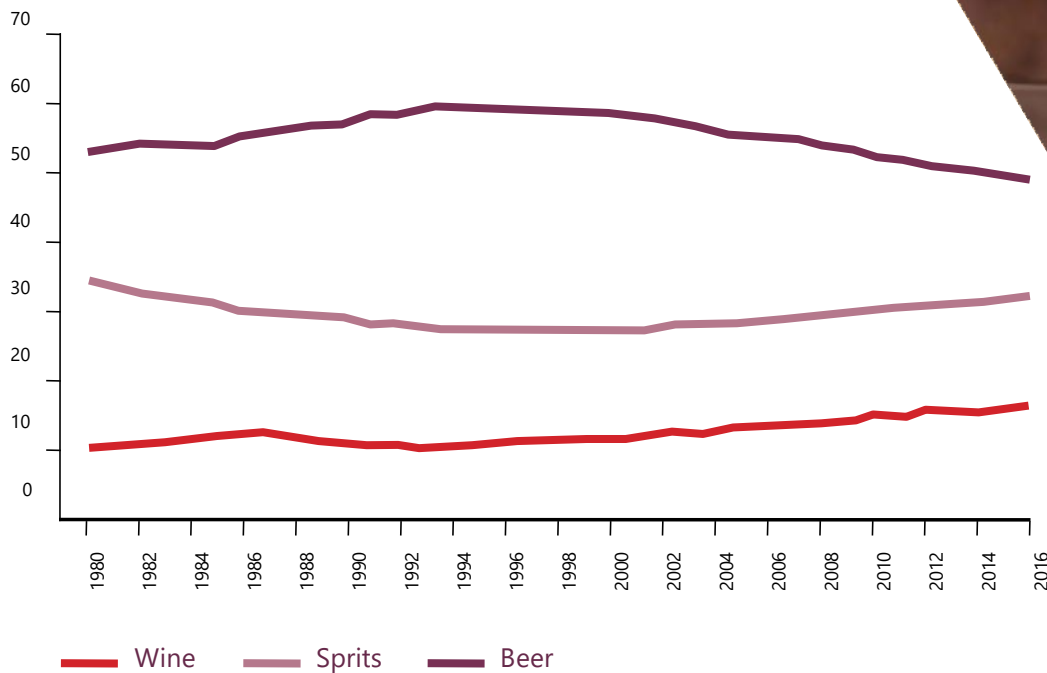


These trends are not only driving the current success of high-end wine and water, they can and should be exploited to drive that success in the coming years.

MORE..... WINE

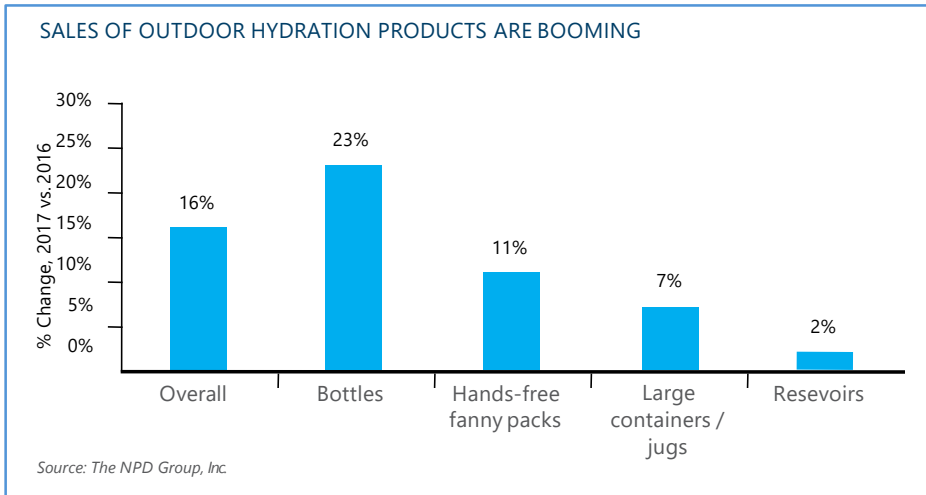
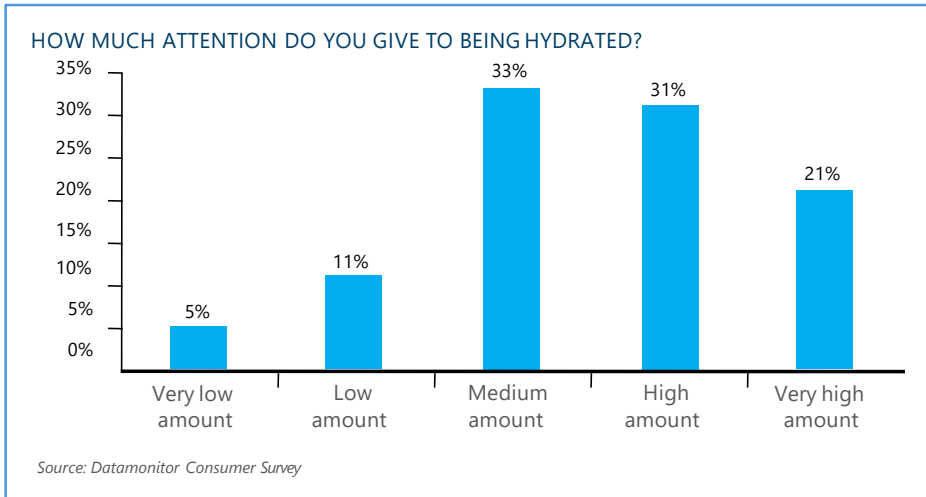
Wine's share of all alcoholic drinks has grown since 1993, from 11% to 18%. Beer's share started declining in 1998, with spirits making further inroads into beer consumption.

SHARE OF ALCOHOLIC DRINKS
Wine's share has been growing since 1992



HYDRATION

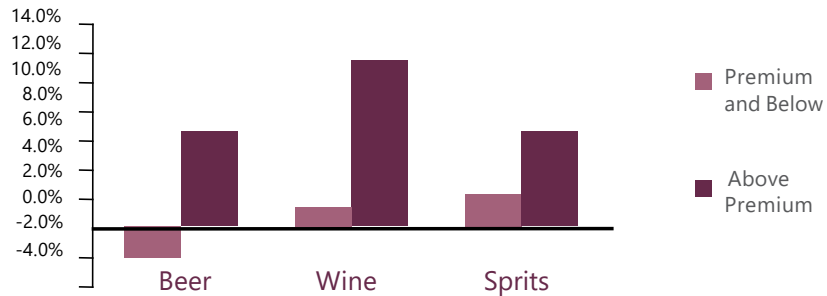
“Consumers are more aware than ever of the health benefits of staying hydrated... Drinking more water is one of the lifestyle changes they’ve made to improve their health.” –Datamonitor
 -Even with a luxury positioning, hydration as a functional benefit will add value



PREMIUMIZATION

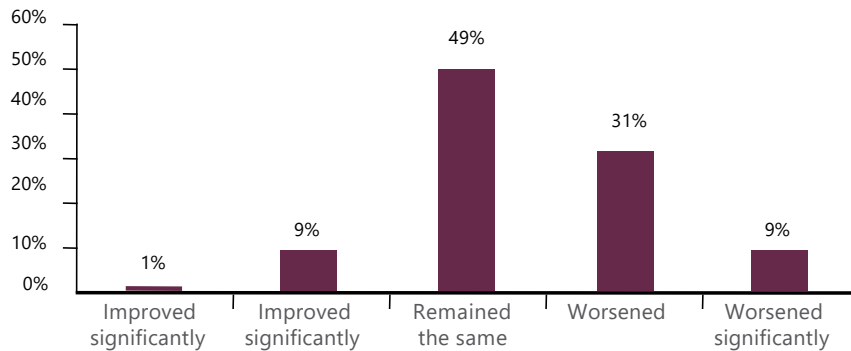
Consumers continue to trade up in categories where they feel an **emotional attachment** – especially beverages – justified as a reward for dealing with high levels of **stress**
- **Wine and water** show opportunities for further emotional engagement by tapping into one or more trends

Beer, Wine, and Sprints are each seeing more growth at price points above premium
GROWTH RATES, 2016-17 VERSUS PRIOR YEAR



Source: Tropos Brand Consulting, based on data from Nielsen, The Distilled Spirits Council, and Beverage Information Gap

COMPARED TO 6 MONTHS AGO, TO WHAT EXTENT TO YOU FEEL THE LEVELS OF STRESS IN YOUR DAILY LIFE HAVE IMPROVED OR WORSENERD?



Source: Datamonitor Consumer Survey

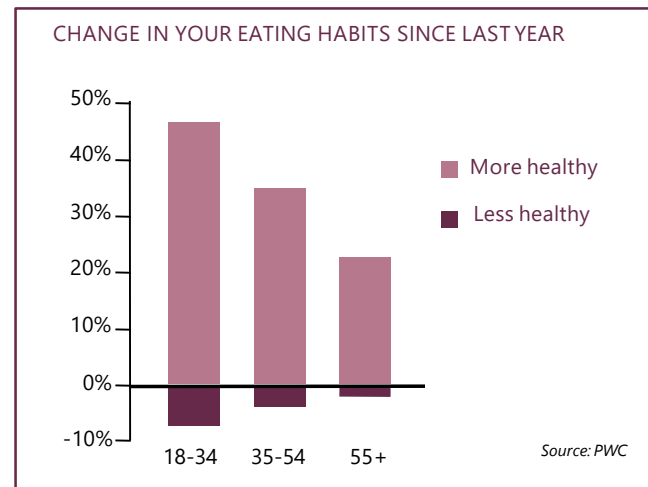
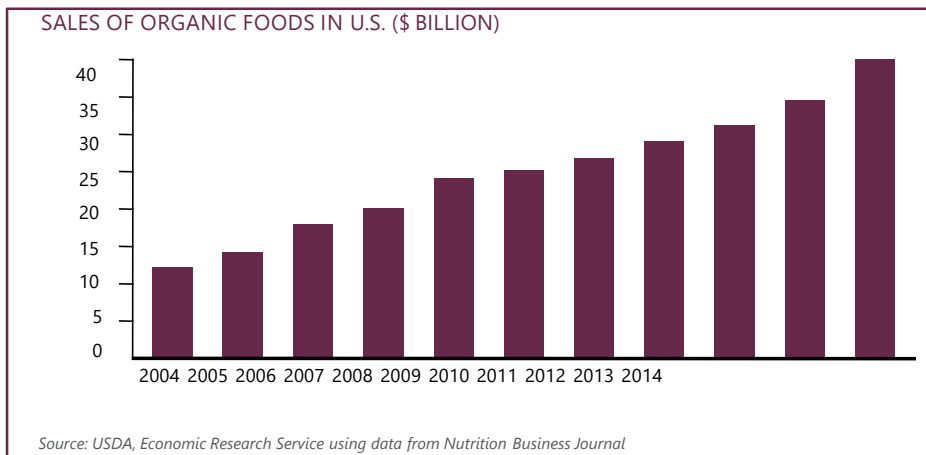
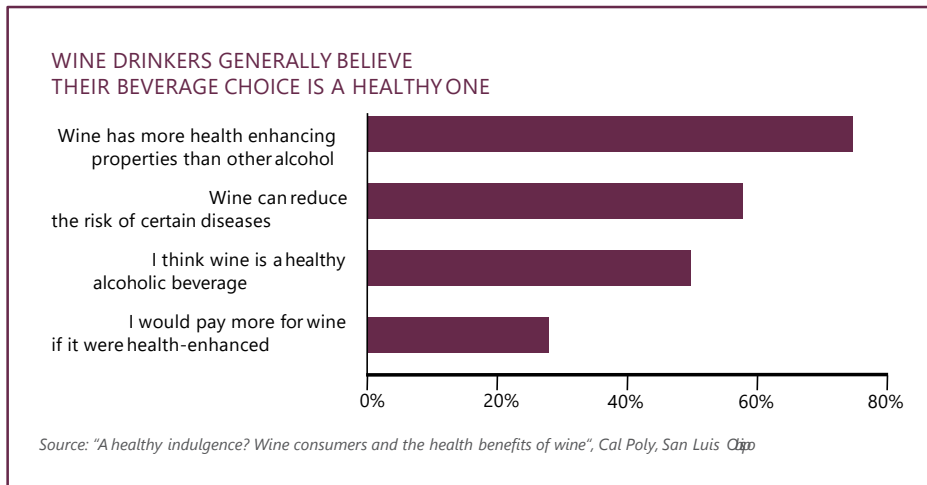


Whistle Pig
"The Boss Hog"
\$500 per 750 ml



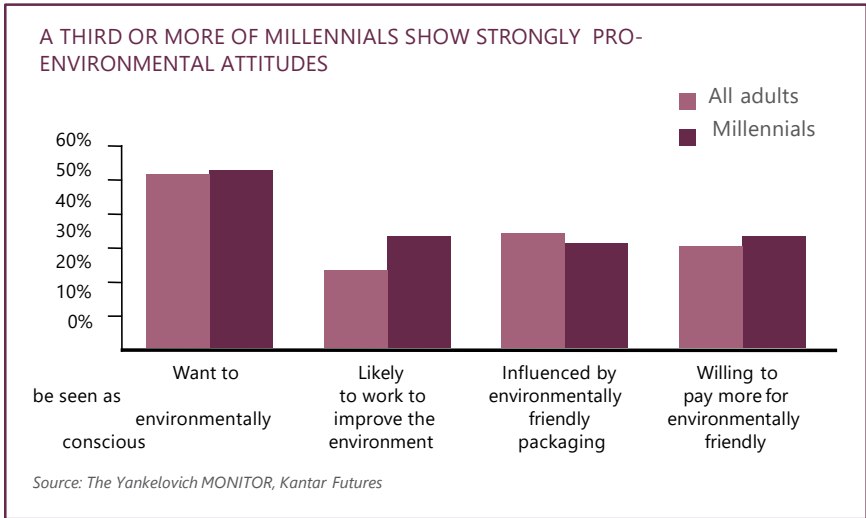
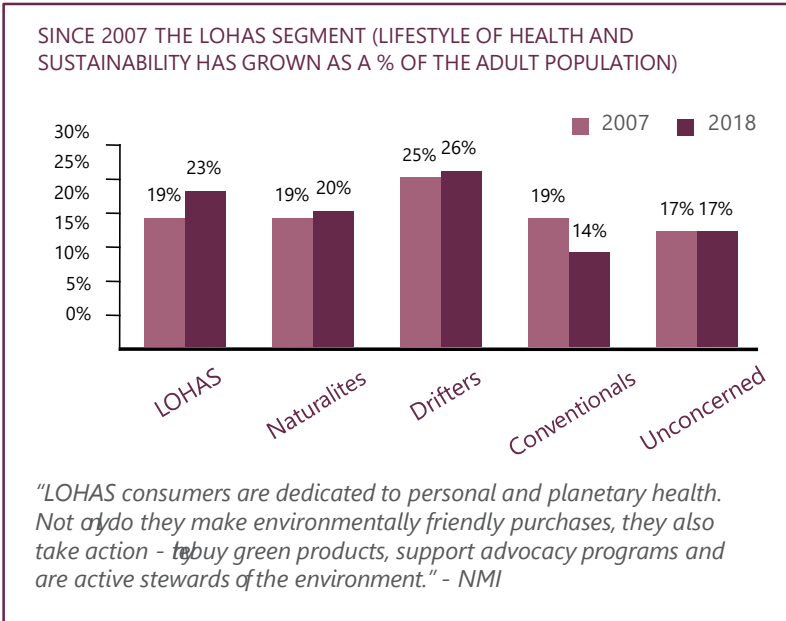
HEALTH AND WELL-BEING

- The value consumers place on health and well-being continues to grow, both in terms of the types of products they buy and healthier habits overall.
- Wine and water credentials as a healthier drink will be critical moving forward



SUSTAINABILITY

- Sustainability and Health are increasingly seen as one issue now and are now willing to pay more for environmentally friendly products.
- Wine and water have a sustainability story to tell, and doing so will reap dividends

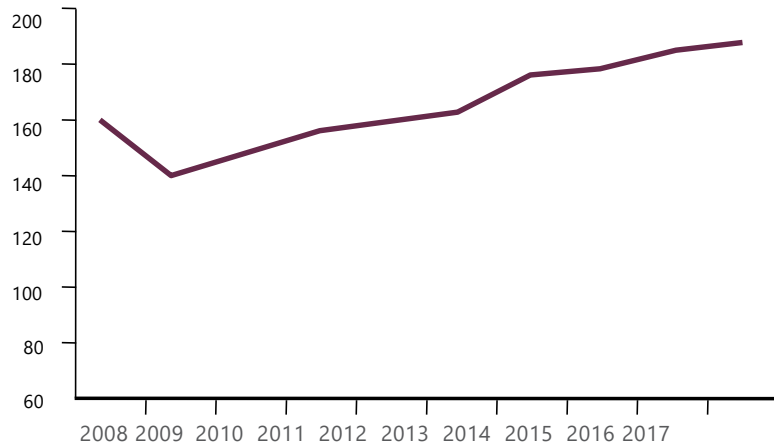


RENEWABLE
[100%]
 ELECTRICITY

The brand's **backstory** will be critical to consumers looking for the WHY....

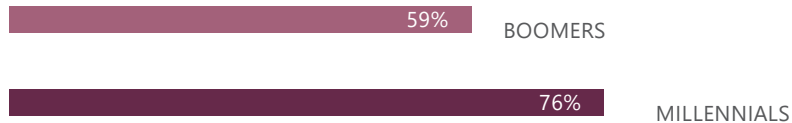
NEW LUXURY

THE U.S. SPA INDUSTRY HAS GROWN EVERY YEAR SINCE THE RECESSION, WITH 187 MILLION VISITORS IN 2017



Source: The International Spa Association

I PREFER TO SPEND MONEY ON EXPERIENCES RATHER THAN MATERIAL THINGS



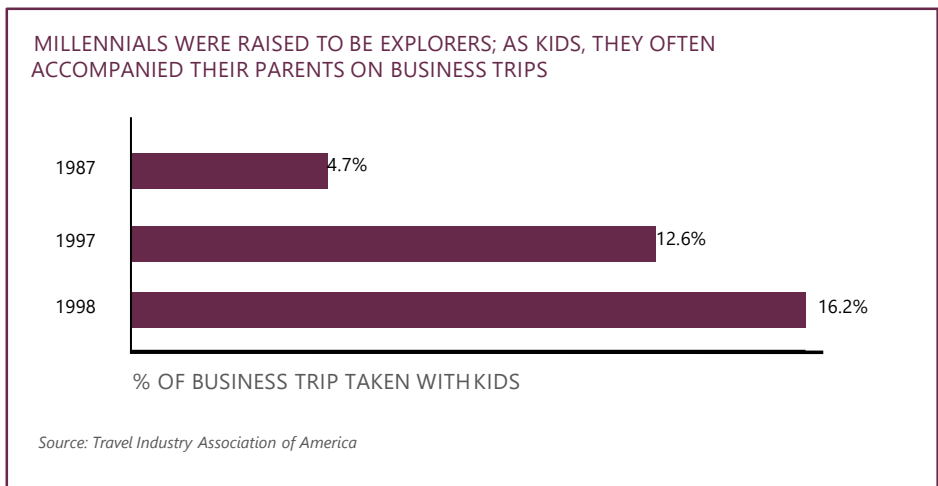
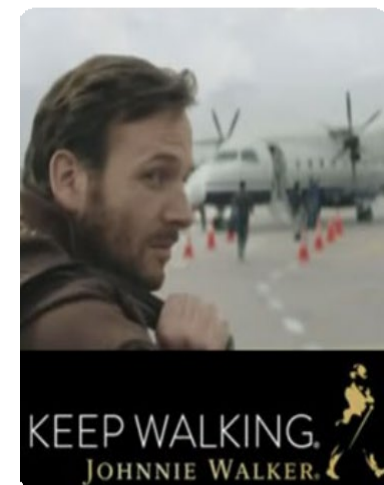
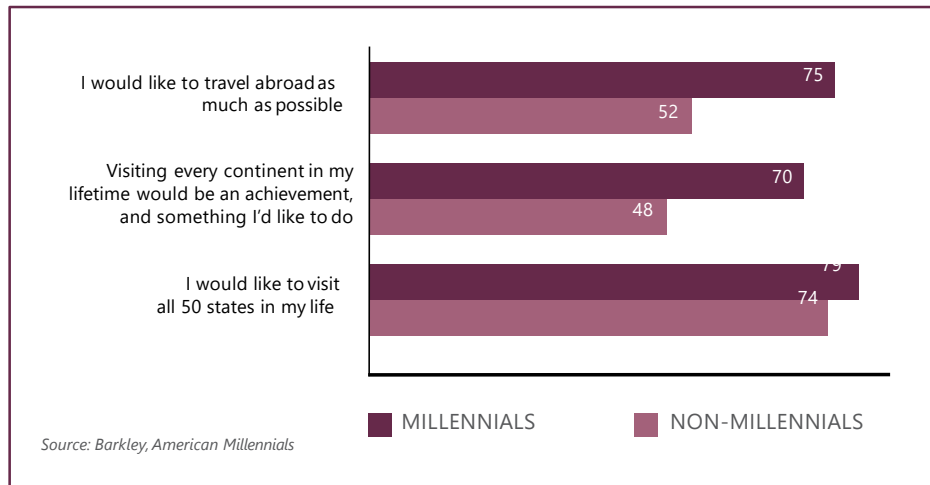
Source: Millennials: Fueling the Experience Economy, Eventhrite

Knowing the backstory of kopi luwak (civet coffee) justifies its price of \$42 for 3 ounces



MILLENNIAL EXPLORERS

It's about much more than travel. It's about tapping into an "explorer mindset," validating Proust's quote that **"The real voyage of discovery consists not in seeking new landscapes, but in having new eyes."** Wine and water is in a good position to help Millennials tap into their inner explorer

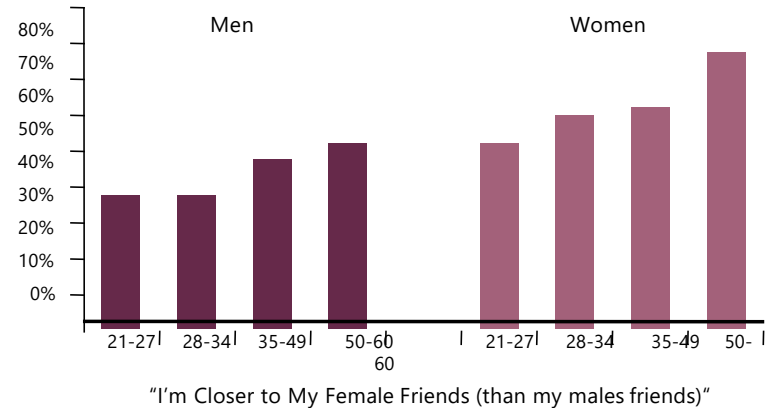


BOOMERS EVOLVING

Boomers remain more open to change at this life stage than any previous generations. **Men, in particular, have become more focused on relationships as they've aged.**

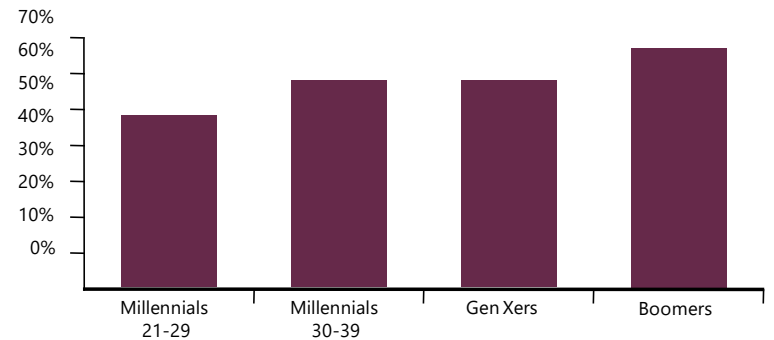


BOTH MEN AND WOMEN BECOME CLOSER TO THEIR FEMALE 90%



Source: Tropos Brand Consulting

PERCENT OF ALCOHOL DRINKERS WHO DRINK WINE

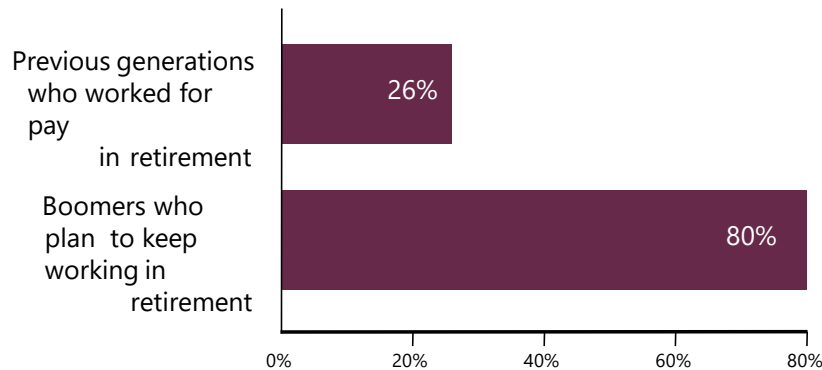


Source: Tropos Brand Consulting analysis of data from the Collage Gap

BOOMERS EVOLVING

Men may see wine, more so than beer or liquor, as something they can share with women.

BOTH MEN AND WOMEN BECOME CLOSER TO THEIR FEMALE FRIENDS (THAN MALE FRIENDS) AS THEY AGE



Source: MONEY Magazine



Source: Boomers Explored, Radar Communications

"[Boomers] express an exploratory attitude reminiscent of young adulthood, albeit less revolutionary and more earnest this time around..."

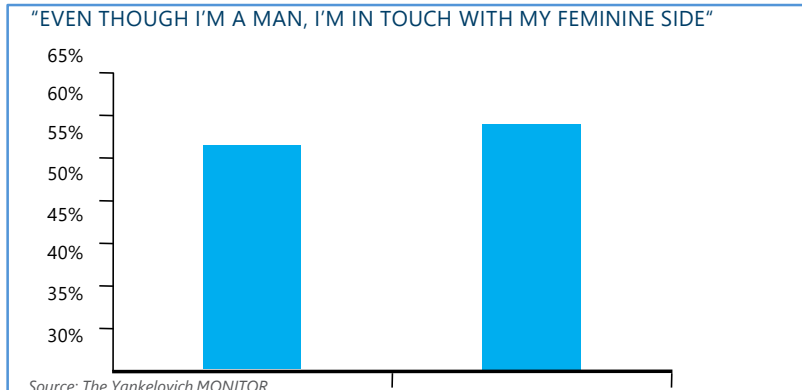
This midlife rebirth is not so much about exploring the world as it is about going deep inside... A higher value is placed on family, relationships, travel, vacations, and doing things together."



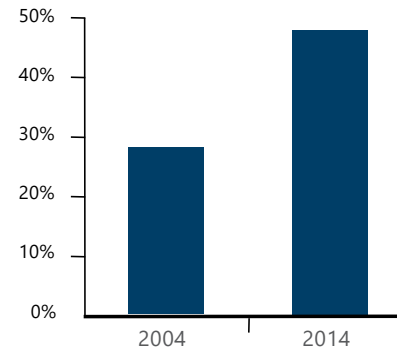
FEMINIZATION OF CULTURE

Women today are less likely to be influenced by men and more likely to influence men. Partly as a result, men are participating in activities and making purchases traditionally seen as feminine.

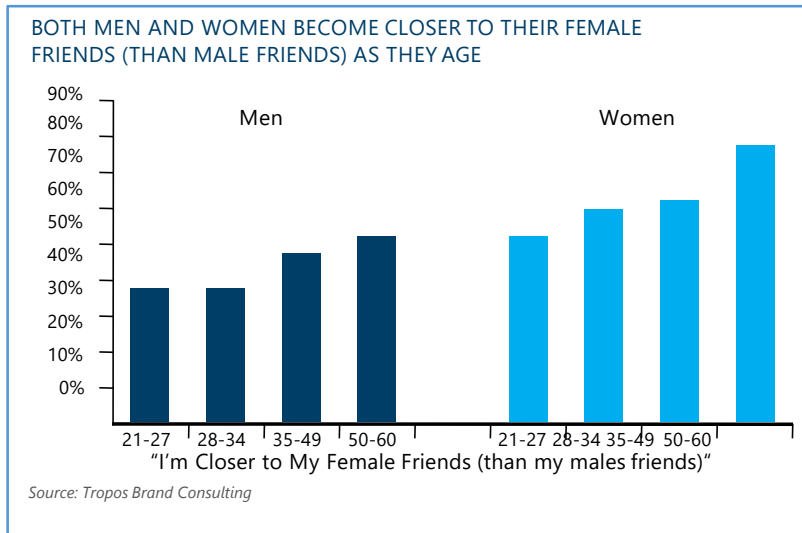
-Men's openness enables even greater creativity, expanding the audience for more "feminine" designs



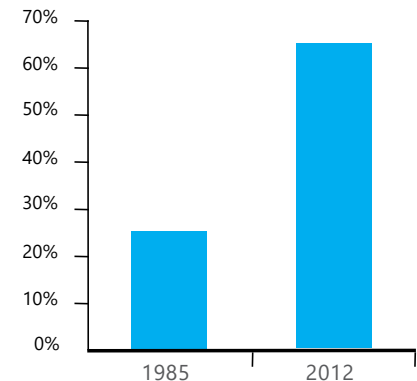
MEN AS A PERCENT OF ALL SPAVISITORS



Source: The International Spa Association



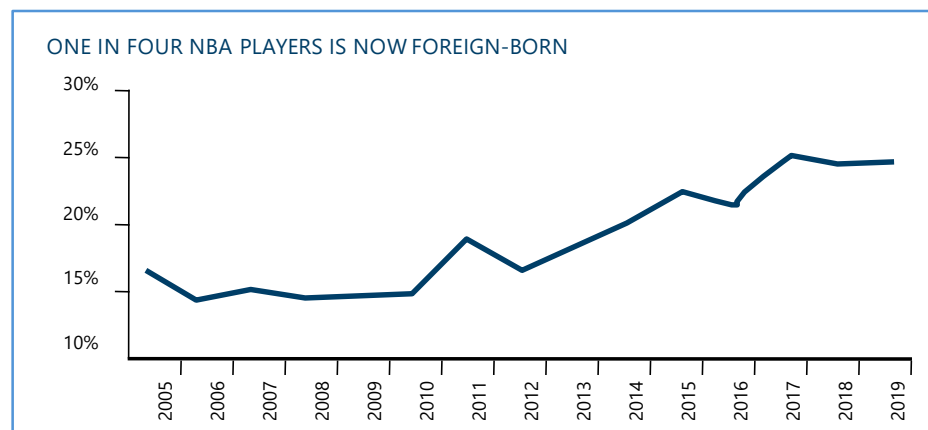
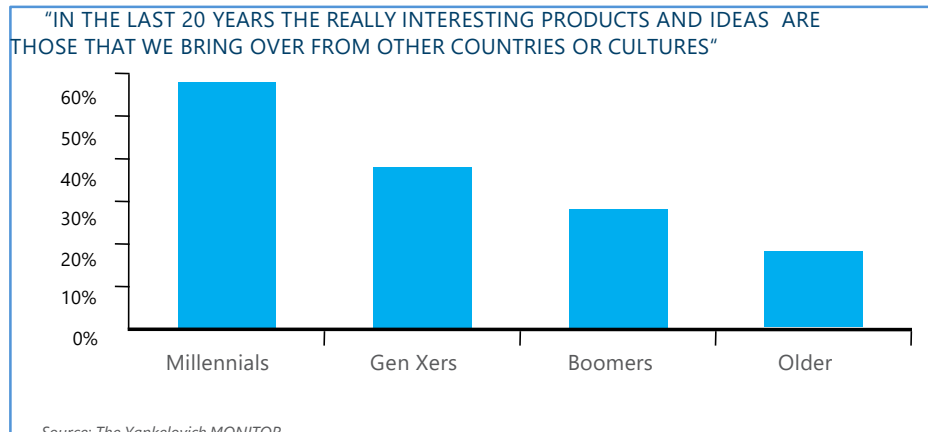
MORE MEN ARE EMBRACING SHOPPING: The percent of men's apparel bought by men has more than doubled



Source: The NPD Group

GLOBAL PERSPECTIVE

The growing international influence in the U.S. combined with a high degree of openness has led Millennials to embrace products and experiences from around the world.



SUMMARY



- **TELL A STORY**
- **MEN DRIVING BUYING HABITS**
- **HEALTH AND WELLNESS MATTERS**
- **CONNECT WITH MILLENNIALS...
HERE IS A VIDEO AGAIN JUST IN CASE
YOU NEED A REMINDER...**

Pairings That Work and I Love



WATER

Vichy Catalan

WINE

Dr. Loosen
"Dr. L" Riesling
Mosel, Germany



WATER

Iskilde

WINE

Chateau d'Esclans
"Rock Angel"
Côtes de Provence, France



WATER

Svalbardi

WINE

Krug
"Grand Cuvée", 163rd edition
Reims, France (375ml)



THANK-YOU

